

7/1/10

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1

**Annual Component Unit Financial Statements with
Independent Accountants' Review Report**

and

**Louisiana Attestation Questionnaire with
Independent Accountants' Report on
Applying Agreed-Upon Procedures**

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/24/11

**BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
ANNUAL COMPONENT UNIT FINANCIAL STATEMENTS WITH INDEPENDENT
ACCOUNTANTS' REVIEW REPORT AND LOUISIANA ATTESTATION
QUESTIONNAIRE WITH INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES
DECEMBER 31, 2010**

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THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Bear Lake Fire District No. 1
Tallulah, Louisiana

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Bear Lake Fire District No. 1 (the District), a component unit of Madison Parish, as of December 31, 2010 and for the year then ended, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The District has not presented Management's Discussion and Analysis and the budgetary comparison information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 15, 2011, on the results of our agreed-upon procedures on pages 16 through 18. Pages 19 through 20 present the Louisiana Attestation Questionnaire.

The Halford Firm, PLLC

Vicksburg, Mississippi
June 15, 2011

FINANCIAL STATEMENTS

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 15,634
Total current assets	<u>15,634</u>
CAPITAL ASSETS:	
Capital assets, net of accumulated depreciation	<u>272,298</u>
Total net capital assets	<u>272,298</u>
TOTAL ASSETS	<u><u>\$ 287,932</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES:	
Current Liabilities:	
Current portion of long-term debt	\$ 3,067
Total current liabilities	<u>3,067</u>
Noncurrent Liabilities:	
Noncurrent portion of long-term debt	<u>30,761</u>
Total noncurrent liabilities	<u>30,761</u>
TOTAL LIABILITIES	<u>33,828</u>
NET ASSETS:	
Invested in capital assets	238,470
Unrestricted	<u>15,634</u>
Total net assets	<u>254,104</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 287,932</u></u>

See independent accountants' review report and accompanying notes.

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
STATEMENT OF ACTIVITIES
DECEMBER 31, 2010

EXPENSES:

Bank service charges	\$ 590
Dues	176
Fuel	4,852
Insurance expense	15,150
Interest expense	1,162
Postage	417
Repairs and maintenance	3,278
Supplies	829
Telephone expense	1,340
Utilities	2,180
Depreciation expense	<u>15,955</u>
Total program expenses	<u>45,929</u>

PROGRAM REVENUES:

Fire district fees	23,793
Fire tax	2,720
Grant revenue	162,248
Interest income	<u>11</u>
Total program revenues	<u>188,772</u>

CHANGE IN NET ASSETS	142,843
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NET ASSETS, beginning of period	<u>111,261</u>
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NET ASSETS, end of period	<u>\$ 254,104</u>
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See independent accountants' review report and accompanying notes.

**BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

ASSETS

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 11,353	\$ 4,281	\$ 15,634
TOTAL ASSETS	<u>\$ 11,353</u>	<u>\$ 4,281</u>	<u>\$ 15,634</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:			
Current portion of long-term debt	\$ -	\$ 3,067	\$ 3,067
Total liabilities	<u>-</u>	<u>3,067</u>	<u>3,067</u>
FUND BALANCES:			
Unreserved/undesignated	<u>11,353</u>	<u>1,214</u>	<u>12,567</u>
Total fund balances	<u>11,353</u>	<u>1,214</u>	<u>12,567</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,353</u>	<u>\$ 4,281</u>	<u>\$ 15,634</u>

See independent accountants' review report and accompanying notes.

**BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

**RECONCILIATION OF THE TOTAL FUND BALANCE -
TOTAL GOVERNMENTAL FUNDS TO THE NET ASSETS OF THE
GOVERNMENTAL ACTIVITIES:**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 12,567
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Amounts reported for governmental activities
in the Statement of Net Assets are different
because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	272,298
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Noncurrent liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.	<u>(30,761)</u>
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NET ASSETS OF THE GOVERNMENTAL ACTIVITIES	<u>\$ 254,104</u>
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See independent accountants' review report and accompanying notes.

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General Fund	Special Revenue Funds	Total Governmental Funds
REVENUES:			
Fire district fees	\$ 23,793	\$ -	\$ 23,793
Fire tax	2,720	-	2,720
Grant revenue	-	162,248	162,248
Interest income	11	-	11
Loan Proceeds	-	36,000	36,000
	<hr/>	<hr/>	<hr/>
Total Program Revenues	26,524	198,248	224,772
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Current:			
Bank service charges	590	-	590
Dues	176	-	176
Fuel	4,852	-	4,852
Insurance expense	15,150	-	15,150
Principal repayment	-	2,172	2,172
Interest expense	-	1,162	1,162
Postage	417	-	417
Repairs and maintenance	3,278	-	3,278
Supplies	829	-	829
Telephone expense	1,340	-	1,340
Utilities	2,180	-	2,180
Capital Outlay	-	193,968	193,968
	<hr/>	<hr/>	<hr/>
Total Program Expenses	28,812	197,302	226,114
	<hr/>	<hr/>	<hr/>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(2,288)	946	(1,342)
FUND BALANCES, beginning of period	<hr/> 13,641	<hr/> 3,335	<hr/> 16,976
FUND BALANCES, end of period	<hr/> <u>\$ 11,353</u>	<hr/> <u>\$ 4,281</u>	<hr/> <u>\$ 15,634</u>

See independent accountants' review report and accompanying notes.

**BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2010**

**RECONCILIATION OF THE CHANGES IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS TO THE CHANGE IN NET ASSETS
OF THE GOVERNMENTAL ACTIVITIES:**

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS	\$	(1,342)
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Amounts reported for governmental activities
in the Statement of Activities are different
because:

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases noncurrent liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net assets. This is the amount by which proceeds (\$36,000) exceed repayment (\$2,172).		(33,828)
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Governmental funds report capital outlay expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$193,968) exceeded depreciation (\$15,955).		<div style="border-top: 1px solid black; border-bottom: 3px double black;">178,013</div>
--	--	--

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black;">142,843</div>
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See independent accountants' review report and accompanying notes.

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bear Lake Fire Protection District No. 1 (the District) of the Parish of Madison, State of Louisiana, was created to provide fire prevention, fire protection, medical assistance, and extrication rescue. The District's firefighters are volunteers.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District has not presented Management's Discussion and Analysis (MD & A) nor the budgetary comparison information that GASB has determined is necessary to supplement although not required to be part of, the basic financial statements.

Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a) Financial benefit or burden
- b) Appointment of a voting majority
- c) Imposition of will
- d) Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the Madison Parish Council (the primary government). The financial statements include only the operations of the District.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities which report all activities of the District as a whole. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Continued

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the District.

Governmental Funds:

The District considers both of its governmental funds to be major funds.

General Fund:

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

Special Revenue Fund:

The Special Revenue Fund is used to account for the receipt and use of special grant or debt proceeds revenue.

Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-Wide Statements:

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities, (whether current or noncurrent) are included on the statements of net assets and the statements of activities presents increases (revenues) and decreases (expenses) in net total assets.

Continued

**BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting – Continued

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fund Financial Statements:

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the District uses a thirty day period after year end).

Revenues

The following is a summary of the District's recognition policies for its major revenue sources:

Fire district fees are recorded in the year fees are assessed and collected.

Fire taxes (which are based on population and homesteads in the District) are recorded in the year the fees are assessed and collected.

Interest earnings are generally recorded when earned.

Substantially all other revenues, including grant revenues, are recorded when received.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Continued

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Expenses/Expenditures

The government-wide financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

In the fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

Budgets

The District is not required and does not adopt budgets for its General Fund or Special Revenue Fund. For this reason, the financial statements do not contain a budget to actual comparison.

Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturities of less than three months.

Fixed Assets

The accounting treatment of property, plant and equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Costs include all auxiliary costs to place the assets in service including delivery fees, freight and capitalized interest costs. Donated fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Continued

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fixed Assets - Continued

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Equipment	15
Buildings	40
Vehicles	15

Fund Financial Statements:

In the fund financial statements, fixed assets used in governmental fund operation are accounted for as capital outlay expenditures of the governmental fund when payment is made.

Long-term Debt

Government-Wide Financial Statements:

In the government-wide financial statements, all long-term debt is reported as a liability. The long-term debt of the District consists of a note payable.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Equity Classifications

Government-Wide Statements:

Equity is classified as net assets and displayed in three components:

- a) Invested in capital assets, net of related debt consists of capital assets and deposits set aside to purchase capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction, or improvement of those assets.

Continued

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Equity Classifications - Continued

- b) Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Interfund receivables and payables

Temporary reallocations between funds of the District are classified as due to and due from. For the purpose of the statement of net assets, all due to and due from amounts between individual governmental funds have been eliminated. At December 31, 2010, there were no interfund receivables and payables.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

NOTE B. CASH AND CASH EQUIVALENTS

The District does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition the District does not have a formal investment policy related to credit risk (including concentrations of credit). However the District does follow state law as to limitations on types of deposits and investments as described below.

The District does not invest in any investments subject to foreign currency risk.

Under state law the District may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

Continued

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010

NOTE B. CASH AND CASH EQUIVALENTS - CONTINUED

At year end, the carrying amount of the District's bank balance was \$15,634. All of the bank balance was covered by federal depository insurance.

NOTE C. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the period ended December 31, 2010:

Balance at December 31, 2009	\$ -
Additions	36,000
Reductions	<u>(2,172)</u>
Balance at December 31, 2010	<u>\$ 33,828</u>

The note payable was issued on March 12, 2010, for the purpose of acquiring a new ladder truck. The note bears an interest rate of 4.2% and is payable through the year 2020. The following is an approximation of future debt requirements at December 31, 2010:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,067	\$ 1,360	\$ 4,427
2012	3,190	1,254	4,444
2013	3,329	1,115	4,444
2014	3,474	971	4,445
2015	3,625	820	4,445
2016-2020	<u>17,143</u>	<u>1,641</u>	<u>18,784</u>
	<u>\$ 33,828</u>	<u>\$ 7,161</u>	<u>\$ 40,989</u>

NOTE D. COMPENSATION OF BOARD MEMBERS

Board members did not receive any per diems for the period ended December 31, 2010.

Continued

BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010

NOTE E. FIXED ASSETS

Capital assets activity for the year ended December 31, 2010 is as follows:

	Balance December 31, <u>2009</u>	<u>Additions</u>	Balance December 31, <u>2010</u>
Capital assets:			
Equipment	\$ 76,726	\$ -	\$ 76,726
Building	13,500	-	13,500
Vehicles	<u>63,087</u>	<u>193,968</u>	<u>257,055</u>
Total capital assets at historical cost	<u>153,313</u>	<u>193,968</u>	<u>347,281</u>
Less accumulated depreciation for:			
Equipment	(48,593)	(5,115)	(53,708)
Building	-	(169)	(169)
Vehicles	<u>(10,435)</u>	<u>(10,671)</u>	<u>(21,106)</u>
Total accumulated depreciation	<u>(59,028)</u>	<u>(15,955)</u>	<u>(74,983)</u>
Total capital assets, net	<u>\$ 94,285</u>	<u>\$ 178,013</u>	<u>\$ 272,298</u>

NOTE F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE G. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 15, 2011. This date represents the date the financial statements were available to be issued.

NOTE H. CONCENTRATIONS

The grant revenue accounted for approximately 85% of the District's total revenues in the year ended December 31, 2010.

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Bear Lake Fire District No. 1
Tallulah, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Bear Lake Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about the Bear Lake Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2010 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

All expenditures made during the year for materials and supplies exceeding \$20,000 or public works exceeding \$100,000 were made in accordance with applicable law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees paid during the period under examination.

4. Determine whether the employee included in the listing obtained from management in agreed-upon procedure (3) was also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management is not required to, nor did they create, a budget for the period under examination.

6. Trace the budget adoption and amendments to the minute book.

Not applicable

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

Not applicable

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting all of the six selected disbursements indicated approvals from the appropriate authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

Once a year, the District is required to advertise the place, date and time of its meeting. We obtained assurance from the board of directors that the advertisement was placed.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted one deposit which appeared to be proceeds of a bank loan. This loan is properly accounted for in the financial statements.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advance, or gifts.

Not applicable

Prior Comments and Recommendations

The District was not required, nor did they acquire, a compilation or review for the prior year. An agreed-upon procedures report was also not required for the prior year.

We were not engaged to perform, and did not perform, an examination, the objective of which would be the expression of any opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Bear Lake Fire Protection District No.1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report may be distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
June 15, 2011

**INFORMATION REQUIRED BY THE LOUISIANA
GOVERNMENTAL AUDIT GUIDE**

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

June 15, 2011

The Halford Firm, PLLC
1612 Mission 66
Vicksburg, Mississippi 39180
(601) 636-8973

In connection with your review of our financial statements as of December 31, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 15, 2011.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [X] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u><i>Roy J. Edmon</i></u>	Secretary	<u>8-19-11</u>	Date
<u><i>Roy J. Edmon</i></u>	Treasurer	<u>8-18-11</u>	Date
<u><i>John E. Baker Jr.</i></u>	President	<u>8-17-11</u>	Date

**BEAR LAKE FIRE PROTECTION DISTRICT NO. 1
SCHEDULE OF CURRENT YEAR FINDINGS AND
MANAGEMENT'S RESPONSES AND PLANNED CORRECTIVE ACTION
DECEMBER 31, 2010**

Reporting Deficiency

Finding:	The District has not kept records of assets donated to them by the Madison County Police Jury.
Cause:	The District has not had to include capital assets in its financial reporting until the year ended December 31, 2010.
Recommendation:	The District should continue to make efforts to obtain documentation of assets donated. In the future, the District should request and maintain records of all assets purchased or donated.
Response:	Management concurs.
Planned Corrective Action:	The CPA will prepare financial statements that do not include the assets donated by the Madison County Police Jury. The District's personnel will make changes to the financial statements should records become available.